CILT Article

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The changing role of a humanitarian logistician

Lack of professional logistical capacity resulted in poor decisions been made among humanitarian aid (HA) organisations in the aftermath of the 2007 tsunami, where 42 per cent of HA organisations conducted assessments without expert logistics input. This resulted in both a failure to anticipate bottlenecks in the supply chain and a poor evaluation of beneficiaries needs (Tatham and Pettit, 2010). The importance of logistics is not to be underestimated in the humanitarian context if one considers its cost: for example, Van Wassenhove (2006) attributes 80 per cent of the cost of a humanitarian operation to logistics (including procurement cost) and up to 30 per cent of aid delivered has been identified as wastage in some post-crisis situations (Pettit and Beresford, 2009).

The ability of logistics and supply chain managers to adapt and operate in international arenas with unstable and complex conditions, whilst maintaining an agile supply chain, requires professional skills, competence and knowledge (Christopher and Tatham, 2011; Kovács and Spens, 2009). For example, following the refusal by the Syrian government to let humanitarian assistance come into Syria without prior control by the regime, illegal cross-border operations were organized from neighbouring countries requiring very specific logistical set-ups in order to adapt to regular last minute changes of entry points, unexpected blockades of the supply routes, or sudden destruction / looting of warehouses and transit depots. No two humanitarian crises and no two recipients of aid are exactly the same, and so the process of getting assistance to where it is needed, as quickly and effectively as possible, is a constant process of creative adaptation and problem-solving (Kovács *et al*., 2012; Balcik *et al*., 2010).

The logistics and supply chain personnel working within humanitarian organizations fulfil a critical role in response to sudden onset disasters, requiring a set of skills and competencies that matches the environment they work in. As the humanitarian environment is changing quickly, it requires a greater level of professionalism and accountability. Understanding the required competencies of a humanitarian logistician, and how they should vary throughout the course of their career is, therefore, essential to designing effective training and education programmes. The main challenge in humanitarian logistics is that the logistics competences do not develop as fast as the humanitarian environment changes.

The competencies required for a humanitarian logistician can be categorised as: general management competencies (for example, project management, HRM), technical logistics competencies (for example, transportation management, procurement), humanitarian competencies (for example humanitarian principles, global and local knowledge) and cash for transfer competencies (for example financial, accounting and banking). General management competencies are regarded as those that are needed to function effectively in a work environment and include behaviours such as the ability to communicate and work effectively with others, while technical logistics competencies are content specific and range from functional, such as fleet management, inventory management, information technology management, to inter-personal, general management, and problem solving. Core humanitarian competencies include behaviours that are required for humanitarian work, such as the application of humanitarian principles. Cash for transfer competencies includes understanding financial and banking systems.

Changing humanitarian landscape

The traditional practice of humanitarian relief is to provide the people in need with goods, however, assistance in the form of physical goods is shifting towards providing cash-based assistance instead of goods (Kovács, 2014). Cash-based assistance is growing rapidly. While 2 million US dollars where provided as international humanitarian assistance in the form of cash-based assistance in 2006, the sum amounted to 47.4 million US dollars in year 2011 (Global Humanitarian Initiative, 2012). Cash-based responses (also known as cash transfer programmes, CTPs) are mechanisms to provide resources to a population in two main ways – by providing them directly with cash or by giving them vouchers.

The World Food Programme's (WFP) shift from food aid to food assistance in 2008 is evidence of the changing humanitarian landscape. WFP's strategy for 2015 is that, a third of all assistance programmes is implemented using cash, vouchers and other types of 'digital food' (WFP, 2013). Many humanitarian agencies have begun to explore cash transfers as an alternative to in-kind aid (Kovács, 2014). But what exactly is a cash transfer programme? The accepted definition of a cash transfer is: "The provision of cash with or without conditions to a person or household in need of goods or services in order to enable beneficiaries to purchase these goods or services in the market place" (ECHO, 2012, p.12). Essentially instead of delivering aid in terms of material flows, CTPs change the delivery to handing out cash or vouchers. But what impact have CTPs on the competencies for being a humanitarian logistician?

Cash transfers can be viewed as a challenge to the traditional roles established by humanitarian sectors such as nutrition, shelter, etc., as cash can address any of these needs as long as there is market supply (Bailey *et al*., 2008). Cash transfers shorten the logistical supply chain, simplify procurement and remove the need for transport and warehousing considerations which may shrink the humanitarian sector considerably (WFP, 2013). In short, a shift from material to financial flows diminishes the total cost of aid whilst simultaneously empowering beneficiaries (Kovács, 2014). This has meant that beneficiaries have changed from being passive beneficiaries to becoming active members of the humanitarian supply chain (Matopoulos *et al*., 2007; Matopoulos *et al.*, 2007). Aid agencies already have the staff and systems in place to deliver in-kind relief items effectively and efficiently whereas cash transfer initiatives can often raise the question of suitably qualified logisticians.

Generally speaking, CTPs imply a reconfiguration of the humanitarian supply chain with consequential important contributions to the reinstatement of the local economy. In humanitarian supply chains where the main activity is providing physical goods, the actors conducting the activity of distribution are commonly a local partner such as the local authorities or local NGOs. In the distribution of CTPs, there is a shift for the role towards an actor that can better handle the financial flow, for example, new telecommunication solutions for cash transfers such as "mobile money" launched by Safaricom have enabled CTPs in various African countries.

Perhaps the most intriguing change is the impact on financial vs. material flows in the humanitarian supply chain. In the traditional model, financial flows originated from donors to humanitarian organisations, which used these finances to pay for material supplies that they delivered to beneficiaries. In a cash transfer programme, financial flows from donors still come to humanitarian organisations, which then assess the possibility for distributing cash directly to beneficiaries. If this is possible – given that there are items available on a market, for instance – the financial flows go directly to beneficiaries, who pay themselves for the products and services they need. Humanitarian organisations become the brokers of these flows, and the distributors of cash, but not the providers of materials. Their role in delivering materials diminishes to the materials that are not available on the local market.

Like any relief intervention, cash transfers are considered in relation to the context in which they will be used. The local market will be affected by an injection of cash so it is important that the market can absorb the extra capacity without causing soaring inflation to occur (Bailey *et al*. 2008). The market must also be able to supply the goods needed by the beneficiaries and in-kind aid is more appropriate anywhere there is 'supply failure' which is lack of supply regardless of the existing demand (Harvey and Bailey, 2011).

This also implies a significant change in supply chain strategy. The traditional humanitarian supply chain "pushes" items first and gradually moves towards a "pull" strategy once more information becomes available. If supplies are "pushed" through a system, quantities are dictated by an upstream authority with little or no input from the recipients. In other words, aid is being sent regardless of the need. In a "pull" system, quantities are determined at the point of consumption. That is, the correct aid (food type, water, blankets and shelter) is delivered. Cash transfer programmes enable a pull strategy to be implemented from the beginning. Through this, arguably, they can meet the actual needs of beneficiaries quicker and more accurately.

The impact of cash transfer on humanitarian operations cannot be understated. They alter supply chain design, the very role of beneficiaries as well as humanitarian organisations, and change the strategy of aid delivery from push to pull. Perhaps the most important factor is the elimination of many logistical activities that needed to be performed by humanitarian organisations. Delivering cash diminishes the needs for lengthy procurement and assessment processes, pre-positioning, transportation and distribution. This bears the potential of significant reductions in costs for delivering humanitarian aid at the same time as it is an important move from aid to trade.

At the same time, managing CTPs requires a different skill set from the typical humanitarian logistician. Whilst there is already research on the skills required for humanitarian logistics and supply chain management (e.g. Kovács *et al.*, 2012), such an innovation requires a rethinking from functional logistics skills and needs assessment to managing financial flows and assessing the banking capabilities of a region after a disaster.

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